



Revision: 1

Purchasing Agent: Roselle Miller

Item: Collection Services

Vendor: 55561E

GC Services Limited Partnership
6330 Gulfton
Houston TX 77081Internet Homepage: www.gcserv.com

Telephone: (847) 289-5038

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Contact: Mike Hettermann

Email address: Mike.hettermann@gcserv.com

Brand/trade name: N/A

Price: See Attached Price Schedule

Terms: N/A

Effective dates: 05/15/03 through 05/14/08

Days required for delivery: N/A

Price guarantee period: N/A

Minimum order: N/A

Min shipment without charges: N/A

Other conditions: One five year renewal option

PLEASE NOTE: ADDITIONAL INFORMATION.

This is a multiple award also see MA1668 and MA1669

This contract covers only those items listed in the price schedule. It is the responsibility of the agency to ensure that other items purchased are invoiced separately. State agencies will place orders directly with the vendor (creating a PG in Finet) and make payments for the same on a PV referencing the original PG. Agencies will return to the vendor any invoice which reflects incorrect pricing.



Political subdivisions may work directly with the contact person and establish their service level agreement. Attached, as a sample only, is the Office of State Debt Collections agreement. Also attached are the overall performance standards from GC Services Limited Partnership's proposal.

State agencies are represented by the Office of State Debt Collection except for the Tax Commission and the Office of Recovery Services.

Collection fee: 14.7%

FINET COMMODITY CODE(S):
94633000000-COLLECTION SERVICES

REPORTS

THE CONTRACTOR WILL SUBMIT QUARTERLY REPORTS TO THE STATE PURCHASING AGENT SHOWING QUANTITIES AND DOLLAR VOLUME OF PURCHASES BY EACH STATE AGENCY AND POLITICAL SUBDIVISION. THESE REPORTS WILL BE DUE 10 DAYS AFTER THE CALENDAR QUARTER.

SERVICE LEVEL AGREEMENT

This Service Level Agreement is an addition to contract MA_____ and defines procedures, processes and expectations relative to system interfaces, payment processes, receivable referrals and acknowledgements, reporting, and performance requirements that are unique to each agency.

A GENERAL GUIDELINES

It is agreed between the State and the Contractor that:

1. Work performed by Contractor representatives and their systems will meet Minimum Collection Performance Standards outlined in Chapter 2 of the RFP. Performance will be verified in annual audits of Contractor's work by OSDC, or the State.
2. **Level of effort provided:**
 - a. At least quarterly, OSDC and Contractor will verify the full inventory and resolve any discrepancies as defined below.
 - b. OSDC and Contractor will provide cross training to enhance understanding of procedures, processes, regulations and applicable laws.
 - c. Regular meetings will be scheduled to discuss progress towards desired results and resolve any issues outstanding.
 - d. Primary accounts placed greater than 365 days that have met the performance standard without resolution shall be returned to OSDC as unable to collect unless a different time frame is negotiated between OSDC and the Contractor.
 - e. All files transferred shall be electronic and in the stated format below.
 - f. Performance will be measured by Revenue collections based on deposits deposits, compliance with performance standards as measured by audit, and resolved accounts as measured through return codes.
3. **Return Date Age Criteria**
 - a. If the account is being collected through monthly payments, and all payments are current and remain current, the account may remain assigned until paid in full.
 - b. When the Contractor has exhausted all efforts in collecting an account, the account shall be returned to OSDC as unable to collect regardless of whether the placement period is met or not.
 - c. Primary placement accounts with no contact or agreements in place that have aged one year since placement shall be returned to the OSDC as unable to collect.
 - d. Secondary placement accounts with no contact or agreements in place that have aged twelve months from placement shall be returned to the OSDC unless a different time period is negotiated between the Contractor and OSDC.
4. **Fair Debt Collection Practices Act**
 - a. Third-Party Collection Agencies collecting on government accounts are not held to the Fair Debt Collection Practices Act, however, the State expects the same behavior to be followed in order to ensure Utah debtors are treated fairly and respectfully in accordance with the act.
 - b. The Selected Contractor(s) shall **supply the OSDC with a copy of any internal policies related to the Fair Debt Collection Practices Act.** Also refer to Addendum A of the Contract.
 - c. Selected Contractor(s) will maintain a list of authorized users and is subject to audit at any time by the OSDC or the State.

5. Bankruptcy/Death Certificates

- a. Bankruptcy notices and death certificates received by the Contractor shall be forwarded to the OSDC within 1 day of receipt.
- b. Contractor will close accounts upon receipt of the bankruptcy notice or the death certificate.

6. Electronic File Transfers

- a. All electronic files must comply with formats defined by or agreed to by OSDC. Any electronic files that do not comply with the defined or agreed to format will be void and a corrected file will be required.
- b. Electronic files will be loaded on and retrieved from the State's FTP Server. Files will remain on the server in an archive file for a period of one week.

7. Recalls

- a. OSDC may request an account be pulled, placed on hold, or recalled for either business or political purposes (ex. Bankruptcies, sent in error, etc.).
- c. The recall of an account is reflected in the transaction file. The account is adjusted to zero through adjusting the sub-account balances to zero. A zero balance is also reflected in the Balance update file.

B. OSDC RESPONSIBILITIES

OSDC agrees to do the following and to use the file layouts provided below.

1. COST OF COLLECTION

- a. The cost of collection is collected from the debtors. OSDC is responsible to track, calculate, update and add the collection costs to the account.
- b. **OSDC will accrue the interest and the related cost of collection daily.** The accrued amounts are included in the account balances in the Balance Update File that is transmitted to the contractor daily (see #5 below).
- c. The accrued interest and costs of collections will post to the accounts quarterly unless a payment or adjustment is made on the account.
- d. When any type of transaction occurs on an account, the accrued interest and costs of collection will be posted to the account. The Contractor will be advised of these postings through the daily transaction file.

2. PLACEMENTS

- a. **OSDC will place accounts electronically on Monday of each week** providing performance standards are being met by the Contractor and no technical issues or business reasons warrant not making a weekly placement. Should issues warrant weekly placements to be cancelled, OSDC will notify the Contractor in writing via email, of the business reasons and expected resolution to resume scheduled placements.

PLACEMENT FILE LAYOUT

RECORDS

HEADER RECORD

Record Type (H)
Vendor Name Code
File Date

FIELD SIZE

Char (1)
Char (4)
Date (mm/dd/yyyy)

MASTER RECORD

Primary Key – Account #, Agency Number, Agency program

Record Type (M)
Acct #
Agency Number

Char (1)
Char (15)
Char (3)

Agency Program	Char (4)
First name	Char (20)
Last name	Char (30)
Addr1	Char (30)
Addr2	Char (30)
City	Char (20)
State	Char (2)
ZIP	Num (10)
SS/Fed ID	Num (9)
Birth date	Date (mm/dd/yyyy)
DL Number	Char (15)
DL State	Char (2)
Home phone	Num (10)
Work phone	Num (10)
Employer Info.	
Employer Name	Char (30)
Employer Phone	Num (10)
Balance Owed at Time of Placement	
Principal	Num (12)
Penalty	Num (12)
Interest	Num (12)
Cost of Collection	Num (12)
Total Placed	Num (12)
Placement Status (P – Primary, S – Secondary)	Char (1)
Date Placed	Date (mm/dd/yyyy)

OTHER PARTIES

Primary Key – Account #, agency #, agency program, Record type

Record Type (P)	Char (1)
Acct #	Char (15)
Agency Number	Char (3)
Agency Program	Char (4)
Party Type	Char (1)
First Name	Char (20)
Last Name	Char (30)
Addr1	Char (30)
Addr2	Char (30)
City	Char (20)
State	Char (2)
ZIP	Num (9)
Other Party Phone #	Num (10)

RECEIVABLE DESCRIPTION

Primary Key = Acct. #, Agency Number, Agency Program, Sequence #

Record Type (D)	Char (1)
Acct #	Char (15)
Agency Number	Char (3)
Agency Program	Char (4)
Sequence #	Char (2)
Description	Char (30)
Violation date	Date (mm/dd/yyyy)
Violation location	Char (30)

TRAILER RECORD

Record Type (T)	Char (1)
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No. of Accounts
Dollars Placed

Num (5)
Num (12)

3. DEBTOR PAYMENTS

- a. OSDC is responsible to receive, deposit, post, reverse, and re-apply all payments received for or from debtors including those from state agencies, the contractor, and garnishments.
- b. OSDC will post payments the day payments are received. The Contractor will be notified of the payments and be able to update the Contractor's system from the Transaction and Balance Update files.
- c. OSDC will accept credit card payments on behalf of the Contractor. For purposes of automation, ease of reconciliation, and billing, the contractor will be charged OSDC's average total discount rate of 1.75% of the payment amount regardless of what the actual charge is from the various Credit Card Companies. Based on historical data from the first of the year, the credit card actual charges averaged 1.75% of the payment amount. This amount will be charged for the first six months of the contract. The fee may change every six months based on the actual charges of the past period. The contractor will be notified of the change one month prior to implementation.
- d. The contractor and OSDC will come up with a procedure for OSDC to take credit card payments from the contractor that ensures the customer follows through with making the payment. The credit card fees will be netted against the commission owed the contractor on the Commission Remittance Advice described below.
- e. The contractor will notify OSDC of their intent to use the credit card program prior to the collection program being implemented. At that time, the process of how this will be accomplished will be identified and made a part of the SLA.

4. TRANSACTION FILES/CODES

- a. OSDC will FTP a transaction file daily by 2:00 a.m. MST to the State FTP Server. The purpose of this file is to provide a list of transactions by account number that have an impact on the account balances. The file may have any or all of the transaction codes listed below. The file will have fields identified in the Transaction File Layout.
- b. The transaction code identifies the type of transaction/payment processed, whether the payment is guaranteed or not guaranteed, and whether a commission is earned.
- c. Guaranteed payments are payments such as cash, money orders, Finders deposits, certified checks, credit card payments etc.
- d. OSDC will send Guaranteed payments in the daily transaction file the following day after receipt.
- e. Non-Guaranteed payments are payments made with personal checks, auto-pays and etc.
- f. OSDC will send Non Guaranteed payments in the daily transaction file the following day after receipt.
- g. When a payment is dishonored, an adjustment will be sent in the transaction file adjusting the balances of the various sub accounts within the account balance.
- h. Accounts that are recalled/closed and subsequently replaced, will be reopened through adjustments entered on the transaction file.

TransCode	Description	Guarant	Commission
1001	Auto Pay	N	Y
1002	Income tax	Y	N
1003	Cash	Y	Y
1004	Money Order	Y	Y
1005	Check	N	Y
1006	Title (Vendor)	Y	Y

1007	Title Company	Y	N
2001	Credit Card Pmt..	Y	Y
3001	Re-apply Auto Pay	N	Y
3002	Re-apply Income tax	Y	N
3003	Re-apply Cash	Y	Y
3004	Re-apply Money Order	Y	Y
3005	Re-apply Check	N	Y
3006	Re-apply Title (Vendor)	Y	Y
3007	Re-apply Title Company	Y	N
4001	Re-apply Credit Card Pmt.	Y	Y
5001	NSF Check	Y	Y
5002	Reversals	Y	Y
5003	Partial Reversals	Y	Y
5004	Refund	Y	Y
5005	Partial Refund	Y	Y
6001	Adjustment	Y	N
6002	Settlement	N	N
6101	Recall Placed in Error	N	N
6102	Write-Off	N	N
6501	Recall Time Up	N	N
6502	Recall Legal	N	N
6503	Recall OSDC	N	N
6504	Vendor Exhausted Coll.	N	N
7001	Reopen	Y	N

TRANSACTION FILE LAYOUT

RECORDS

HEADER RECORD

Record Type (H)
Vendor Name Code
Date

FIELD SIZE

Char (1)
Char (4)
Date (mm/dd/yyyy)

TRANSACTION FILE

Record Type (P)
Transaction No.
Transaction Code
Acct #
Agency Number
Agency Program
Contractor file# (if available)
Check/MO #
Amounts applied to or reduced from Principal
Amounts applied to or reduced from Penalty
Amount applied to or reduced from interest
Amount applied to or reduced from the Cost of Collection
Total
Commission Earned
Credit Card Discount Fee
Transaction Date

Char (1)
Num (10)
Char (4)
Char (15)
Char (3)
Char (4)
Char (10)
Num (15)
Num (12)
Num (12)
Num (12)
Num (12)
Num (12)
Num (12)
Num (12)
Date(mm/dd/yyyy)

TRAILER RECORD

Record Type (T)
No. of Accounts

Char (1)
Num (5)

Net Transaction amount Total

Num (12)

5. ACCOUNT BALANCE UPDATE FILE

- a. The Account Balance Update File shows the current balance owed on each account. For information purposes, each account balance will display the amounts owed in Principal, interest, and cost of collection.
- b. The Account Balance Update file will show a zero balance on accounts that are recalled or closed by the State.
- c. The information in the Account Balance Update is the total amount owed on the account and is the information Account Representatives should use in their daily collection activities.
- d. To provide your organization with the ability to quote payoffs, the daily accrual amount for interest and cost of collection is provided in this file.
- e. The Account Balance Update File will be generated daily, and loaded on to the State's FTP Server by 2:00 a.m. MST each day.

ACCOUNT BALANCE UPDATE FILE LAYOUT

RECORDS

HEADER RECORD

Record Type (H)
Vendor Name Code
Date

FIELD SIZE

Char (1)
Char (4)
Date (mm/dd/yyyy)

BALANCE UPDATE FILE

Record Type (B)
Acct #
Agency Number
Agency Program
Principal
Penalty
Interest
Cost of Collection
Total
Cost of Collection Accrual number
Balance Date

Char (1)
Char (15)
Char (3)
Char (4)
Num (12)
Num (12)
Num (12)
Num (12)
Num (12)
Num (12)
Num (12)
Date (mm/dd/yyyy)

TRAILER RECORD

Record Type (T)
No. of Accounts
Total Owed

Char (1)
Num (5)
Num (12)

6. DEMOGRAPHIC FILE

- a. To provide updated demographic information to the Contractor, OSDC will load a demographic file on the State's FTP server each Monday at 2:00 a.m. MST.

HEADER RECORD

Record Type (H)
Vendor Name Code
Date

Char (1)
Char (4)
Date (mm/dd/yyyy)

DEMOGRAPHIC UPDATE

Record Type (D)
Acct #

Char (1)
Char (15)

Agency Number	Char (3)
Agency Program	Char (4)
First Name	Char (20)
Last Name	Char (30)
Addr 1	Char (30)
Addr2	Char (30)
City	Char (20)
State	Char (2)
Zip	Num (9)
SS/Fed ID	Num (9)
Birth date	Date (mm/dd/yyyy)
DL Number	Char (15)
DL State	Char (2)
Home phone	Num (10)
Work phone	Num (10)
Employer Name	Char (30)
Employer Phone	Char (10)
Change Reason code	Char (1)

NOTES RECORDS

Record Type	(N)	Char (1)
Acct #		Char (15)
Agency		Char (3)
Agency program		Char (4)
Sequence #		Num (4)
Notes		Char (50)

TRAILER RECORD

Record Type	(T)	Char (1)
# of records		Num (5)

7. COMMISSION REMITTANCE ADVICE

- a. Commissions on guaranteed payments are earned at the time the guaranteed payment is received. OSDC will pay these commissions on the 10th day of each month following the month the guaranteed payments are received.
- b. Commissions on non-guaranteed accounts are earned when a payment is received and the 30-day wait period has expired. Commission on these accounts will be paid the 10th day of each month following the 30-day wait period.
- c. No commissions are earned or paid on payments that are dishonored during the 30-day wait period.
- d. When a payment is reversed from one account and reapplied to another account, the commission will be deducted from the misapplied account and added to the account where the payment is being re-applied. This may result in misapplied payment commissions being deducted from future Remittance Advices.
- e. The first week of each month, OSDC will prepare a Commission Remittance Advice listing:
 - The sequence # for the payment,
 - The Contractor file # the payment is applied to,
 - The payment amount,
 - The commission earned,
 - Adjustments to the commission, if applicable,
 - Credit card discount fees if applicable
 - Commission status ("P" means commission is earned and is being paid, "O" means commission is earned but outstanding. Commissions with a status of "O" will be paid to

the Contractor on the first Commission Remittance Advice after the 30 day wait period related to non guaranteed payments).

Net commission owed on the account.

- f. The Remittance Advice will be totaled by status code.
- g. Commission Payments will be paid electronically through an ACH transfer. The Remittance advice will be loaded on the State's FTP Server on or before the 10th day of each month.
- h. When the Contractor identifies a commission payment error, OSDC will research the error and send a response or issue a check for the amount owed within 10 working days from the date written notification is received from the Contractor.

COMMISSION REMITTANCE ADVICE

HEADER RECORD

Record Type	(H)	Char (1)
Vendor Name Code		Char (4)
Date		Date (mm/dd/yyyy)

OUTSTANDING REMITTANCE ADVICE

Record Type	(O – Outstanding Payments)	Char (1)
Transaction No.		Num (10)
Transaction Code		Char (4)
Transaction Date		Date (mm/dd/yyyy)
Acct #		Char (15)
Agency Number		Char (3)
Agency Program		Char (4)
Contractor file #		Char (10)
Payment Amount		Num (12)
Commission Earned		Num (12)
Less Credit Card Discount Fee		Num (12)
Commission to be Paid		Num (12)

REMITTANCE ADVICE

Record Type	(R - Payments Remitted)	Char (1)
Transaction No.		Num (10)
Transaction Code		Char (4)
Transaction Date		Date (mm/dd/yyyy)
Acct #		Char (15)
Agency Number		Char (3)
Agency Program		Char (4)
Contractor file #		Char (10)
Payment Amount		Num (12)
Commission Earned		Num (12)
Less Credit Card Discount Fee		Num (12)
Commission Paid		Num (12)

TRAILER RECORD

Record Type	(T)	Char (1)
Total Dollars Collected		Num (12)
Total Commission Earned		Num (12)
Total Credit Card Fees		Num (12)
Total Payment (Amt of ACH transfer)		Num (12)
# of records		Num (5)
Total "O" Outstanding Commission Earned		Num (12)
# of records		Num (5)

C. CONTRACTOR RESPONSIBILITY

1. PLACEMENTS

- a. The Contractor will work with OSDC to develop an interface that allows the placement of accounts from OSDC to be received by and placed on the Contractor's system electronically.
- b. The Contractor will place accounts referred by OSDC on the Contractor's system within two days of the file transfer date from OSDC.
- c. The Contractor will return an electronic placement acknowledgement file to OSDC by 3:00 p.m. MST on Wednesday of each week.
- d. All accounts in a placement file must be accounted for on the acknowledgement report (those placed and those not placed).
- e. Contractor will resolve placement discrepancies with OSDC by Friday of each week.
- f. Contractor will develop the acknowledgement file format, identify the file name and electronically FTP the file to the State's FTP Server on the date and time identified in "c" above.
- g. Contractor will work with OSDC to develop the interface for OSDC to receive the acknowledgement file.

2. PAYMENTS

- a. The Contractor will instruct debtors to send payments directly to **"Office of State Debt Collection, PO BOX 141001, Salt Lake City, UT 84114-1001."**
- b. All payments, including auto-pays, and cash received by the Contractor, shall be sent over-night to the address in "a" above on the same day the payment is received by the Contractor. A list showing the Contractor file #, the State account #, debtor name, and the check amount for each payment shall be included in the over-night mail envelope.
- c. Payments made direct to the Contractor **shall not be posted** to the Contractor's system. The Contractor's systems will be updated with the payments in the Account Balance Update or Transaction files sent the next day after payments are received.

3. TRANSACTION, BALANCE UPDATE, COMMISSION ADVICE, AND DEMOGRAPHIC FILES

- a. The Contractor will develop interfaces to receive all OSDC data files, load the files, and electronically update the accounts on the Contractor's system.

4. GUARANTEED AND NON-GUARANTEED PAYMENTS

- a. The Contractor will immediately update Contractors accounts for all guaranteed and non-guaranteed payments received through the transaction file from OSDC.
- b. Each payment should be identified as guaranteed or non-guaranteed on the Contractor's system to facilitate tracking of commission payments and reconciliation.

5. INTEREST

- a. To facilitate the accuracy in quoting customer payoffs including cost of collection through the payoff date, the Contractor should use a program that calculates the number of days between the last interest posting date and the proposed payoff date. The cost of collection accrual number provided by OSDC in the daily Account Balance Update file should be multiplied by the number of days calculated above to come up with total amount owed for the specified payoff date.
- b. When quoting account balances, the account representatives need to calculate interest to the date when the check is received or if there is no payoff date, tell the customer the balance changes daily because of the daily accrual of some of the costs of collection.

6. COMMISSIONS

- a. The Contractor shall notify OSDC in writing or through E-Mail of commission payment errors.

- b. The CONTRACTOR will have up to 60 days from the date the commission payment is made by OSDC to identify and submit the errors to OSDC for correction. After 60 days, OSDC will not correct accounts or pay the difference unless there is good cause. Good cause is determined by OSDC.

7. REACTIVATING ACCOUNTS

- a. The Contractor cannot re-activate accounts unless permission is received from OSDC and OSDC re-establishes the account with the contractor through adjustments on the Transaction and Balance Update files. Accounts opened without proper authorization are not eligible for commission payments.

8. DEMOGRAPHICS

- a. The Contractor will develop the file format for sending new demographic information to OSDC, identify the file transfer name, and work with OSDC to develop an interface for OSDC to receive the file. The demographics file needs to identify the date the new information is received.
- b. The Contractor will FTP the file to the State's FTP Server each Friday.

9. RECALLS

- a. Accounts on the Contractor's system will be closed electronically with the OSDC Balance Update File. The Contractor shall make sure all accounts with a zero balance in the Balance Update File are closed in the Contractor's system to avoid collection letters being sent to debtors after the accounts are closed.

10. PERFORMANCE REPORTS

- a. Performance reports must be sent electronically each month detailing dollars placed, dollars collected, inventory by date progress, accounts cleared, accounts returned at client request, and percent of placements collected.
- b. Any accounts returned at the request of the OSDC should be removed from the placement total to accurately calculate the percent of accounts collected compared to the accounts placed.

11. INVENTORY FILE / RECONCILIATION

- a. At the end of every quarter, (September, December, March, and June) an inventory balancing process will take place. On the last day of each quarter, the Contractor will send an electronic inventory file to OSDC that includes all open accounts, all accounts closed and returned to OSDC during the quarter, and all accounts paid in full. OSDC will compare the balances on the Contractor file to those in the OSDC System. An exception list will be generated by OSDC and sent to the Contractor. Contractor shall correct their balances to agree with OSDC balances.
- b. The Contractor will develop the file format for the inventory file, identify the file transfer name, and work with OSDC to develop an interface for OSDC to receive the file.

12. ACCESS TO CONTRACTOR'S SYSTEM

- a. The Contractor shall provide read only continuous access to their system from 6:30 a.m. MST through 6:00 p.m. MST. Multiple logins will be required to track account progress and activity.

13. CONTRACTOR RETURNED ACCOUNTS

- a. When the Contractor has exhausted all efforts in collecting an account, the account should be returned electronically to OSDC on Friday of each week and not housed in some type of hold status and retained by the Contractor.
- b. The Contractor will develop the file format for the file to return the accounts, identify the file transfer name, and work with OSDC to develop an interface for OSDC to receive the file.

14. PROOF OF CLAIM

- a. Proof of claims will be maintained by OSDC. Request from the Contractor for Proof of Claims should be in writing and sent through E-Mail. The Contractor should aware that the Courts plus many other State agencies do not provide proof of claims.

15. BILINGUAL CAPABILITIES

- a. Contractor will provide OSDC with a list of people that speak Spanish or other languages so people with language problems can be forwarded to a person who can assist them.

16. CONTRACTOR ISSUE RESPONSE

- a. Contractor will provide OSDC with a single person for initial issue contact. All issues relating to OSDC will be presented to the contact person. The contact person will respond back to OSDC within four hours with issue resolution or an estimated time to complete issue resolution.
- b. For some IT issues, OSDC's experience is that problem solving is more effective and efficient when OSDC is able to speak directly with the IT person supporting OSDC processes. OSDC request this be allowed. This would bypass the initial issue contact person. However, the initial issue contact person would "CC" on all communications to ensure their awareness of all issues between the contractor and OSDC. **Please provide the IT direct contact names.**

17. CONTRACTOR EMPLOYEE QUESTIONS

- a. All Contractor employee questions related to receivables will be sent through the Contractor contact person. They will be directed to a single person at OSDC.



GC Services limited Partnership

Accounts Receivable Management With a Customer Care Focus

**Response To Solicitation #RM3903
Statewide Contract For Collection Services**

Business Plan

2.5.E Payment Terms

GC Services agrees to process all payments received as follows:

1. Verify, process and deposit the checks, money orders, etc. daily.
2. Appropriately record the payment to the verified receivable,
3. Update all receivables, including interest and penalty calculations on a regular basis as specified in SLA,
4. Unless defined differently in the SLA, GC Services will remit gross dollars collected for the Agency through ACH as defined below:
 - i. Remit guaranteed payments (e.g., cash payments) in the next ACH transfer to the Agency
 - ii. Remit non-guaranteed payments (personal checks) in the next ACH transfer no later than 14 working days from the date of deposit.
 - iii. In no instance, shall the remittance to the Agency be greater than 18 working days from the deposit date.

2.5.F Payment Terms

As required, GC Services' remittance reports will identify the receivable #, receivable name, date of payment, total amount collected, amount remitted for each debtor, allocation of the payment, ending balance and other information that may be identified in the SLAs.

2.6.E Performance Standards

GC Services, through call management systems and service observing, will monitor work performed by Account Representatives in the course of collections. Below, GC Services outlines its recommended frequency and criteria for monitoring. We understand that these proposed standards are to be approved or negotiated and documented within Agency Service Level Agreements, and audited against annually.



GC Services Limited Partnership

Accounts Receivable Management With a Customer Care Focus

**Response To Solicitation #RM3903
Statewide Contract For Collection Services**

Account Representative Management

Our effective management of Account Representatives significantly impacts our overall success. To ensure compliance with our file management procedures, each Account Representative is monitored through the use of daily, weekly and monthly reviews.

It is GC Services' policy to utilize a Monthly Planning Guide to summarize an Account Representative's past performance and to establish the plan for the coming month. Together, the manager and the Account Representative will agree on the areas in need of improvement and a plan of action. Goals are also established for a minimum number of telephone calls expected, telephone talk time, accounts worked and promises and contacts made. It is generally at this time the Account Representative is assigned his collection quota for the month.

The Monthly Planning Guide is the first step in the Account Representative Management package that includes:

- ❖ Monthly Planning Guide
- ❖ Quick Review
- ❖ Money Review
- ❖ Mechanics Review
- ❖ Telephone Review

The number of required reviews will be determined by the employee's skill and experience level as rated by internal procedures.

- ❖ Quick Review - the purpose of this review is to give a quick overview from a collection standpoint and to identify trends that need further management follow up.
- ❖ Money Review - this review is completed a specified number of times per month based on the Account Representative's skill and experience level. The purpose is to give the Account Representative detailed feedback on his collection activity on accounts that have payment commitments. Specific areas of the collection process that GC Services has deemed essential to success is reviewed. The review is discussed with the employee and a plan to address any deficiencies is developed. Progress toward goals set in the monthly planning guide will also be discussed.
- ❖ Mechanics Review - this review is completed a specified number of times per month based on the Account Representative's skill and experience level. The



GC Services limited Partnership

Accounts Receivable Management With a Customer Care Focus

Response To Solicitation #RM3903 Statewide Contract For Collection Services

purpose of this review differs from the money review in that accounts on which no payment commitments have been obtained and are, most likely, lacking a good address or phone number are reviewed. By reviewing these areas separately, we are able to target training efforts in those areas with skill deficiencies. The review is discussed with the employee and a plan to address any deficiencies is developed. Progress toward goals set in the monthly planning guide will also be discussed.

- ❖ **Telephone Reviews** - this review is critical to the success of our program. The purpose is to allow management the opportunity to listen to and critique actual telephone communications with debtors.

Management must be certain that what the Account Representative says is legal, logical and appropriate to the collection of the account. If at any time during a telephone review or normal collection activity, management observes an Account Representative having difficulty in handling a telephone call, they must immediately intervene and bring the conversation to a satisfactory conclusion.

The telephone communications between our collection staff and debtors are subject to daily monitoring (as allowed by law). This is necessary to ensure that there is no breach of ethics or failure to comply with collection law. Daily telephone monitoring also helps provide management with information needed for weekly performance reviews.

Every telephone call is registered in a locally-housed database called a Call Detail Recorder. This information is useful in identifying the number of calls and length of time a particular collector spends on the telephone within pre-determined time periods. This database is also helpful in researching and responding to complaints.

2.6.F. Performance Standards

Please note that GC Services will customize its collection activities to meet Agency SLA requirements. Below, we first include information regarding our general collection approach. Thereafter, we include specific details regarding the proposed State of Utah collection program. GC Services will refine and customize these processes in partnership with the State of Utah and participating Agencies.

Comprehensive collection activities are what GC Services is all about. Consistently ranked the top collection agency in the nation by the Nilson Report and other publications, GC Services knows how to collect money. Our extensive and long-term client partnerships attest to this fact.



GC Services Limited Partnership

Accounts Receivable Management With a Customer Care Focus

**Response To Solicitation #RM3903
Statewide Contract For Collection Services**

The Collection Approach

GC Services' case management capabilities are the best in the industry. We have the capacity to handle tens of thousands of referrals at one time from a single client. Within our Information Technology (IT) department GC Services has a team of highly skilled personnel to establish programs and procedures to interface between our client's computer system and our own computer system for a data transmission or tape-to-tape relationship. GC Services acknowledges any requirements for electronic data transfer. We already provide this method of data receipt and transmission to many other clients.

Referrals are input in Houston, Texas within 24 hours of which dunning mailings are ready—well within the State of Utah's most aggressive activation requirements. Electronic or tape transmissions are acted upon immediately. In fact, GC Services is capable of receiving referrals from the State of Utah all at one time. If the Review Committee has Information Technology staff on it, we are positive that they will agree that GC Services has extensive case management potential once they have reviewed our proposal in its entirety.

GC Services operates in accordance with our Basic Collection Policy as well as within the moral and ethical boundaries set forth by Executive Management. GC Services maintains strict control to ensure that all accounts are followed up on a timely basis and in accordance with approved methods. Our internal controls make certain all accounts are being worked thoroughly and within the proper framework. *It is important to note that our quoted contingency collection rate encompasses all the services discussed in this section, including the extensive skiptracing (outlined in response to Item 3.9.F, beginning on page 78.) GC Services will implement to maximize recovery on your receivables.*

Attempts to contact the debtor by telephone begin the day the accounts are received in the Service Center. If there is no telephone number listed for the debtor on the placement documents, SKIPNET or Directory Assistance is utilized. If these procedures do not result in determining a telephone number, more extensive skiptracing procedures begin.

GC Services recognizes the importance of continued telephone efforts to contact debtor. Our skiptracing expertise surpasses that of other agencies and private lenders. In the event telephone contact cannot be made, a series of collection letters will be sent; however, telephone collection attempts will continue.

If the debtor does not have a telephone, contact will be attempted by calling "nearbys" who may be willing to relay a return telephone number to the debtor. In each instance, the confidential nature of the call will be strictly maintained.



GC Services Limited Partnership

Accounts Receivable Management With a Customer Care Focus

**Response To Solicitation #RM3903
Statewide Contract For Collection Services**

Once contact with the debtor has been made, GC Services will ask for immediate repayment of the full amount of the outstanding indebtedness. Arrangements will be made in accordance with GC's Basic Collection Policy that states:

"[we will] require debtors to pay in a manner consistent with their ability to repay their debt. We will always keep in mind the human rights and dignity of the debtor and we will allow no unreasonable demands to be made or implied."

The Account Representative will determine the debtor's current situation and circumstances. This fact gathering will include, but will not be confined to, the debtor's:

- Current Address
- Current Place of Employment
- Current Income
- Paydays
- Dependents
- Outstanding Indebtedness
- Bank and Other References

This information will be recorded on the account record for future reference by authorized personnel.

Repayment schedules will only be considered in those situations where GC Services has determined, through its fact gathering, that payment-in-full is not immediately available. Repayment terms will then be negotiated for the best possible arrangement, both in regards to the monthly payment amount and the duration. The terms that are agreed upon will be included in the account record, together with a "hold date" for follow-up. This "hold date" ensures that the debtor keeps payment arrangements previously agreed upon.

All debtors will be instructed that they have an obligation to pay their delinquent accounts as expeditiously as possible. Each debtor contact is thoroughly documented by our automated system in regard to the specific activity that has taken place on the account. These "collector notes" cannot be deleted or changed once entered.

GC Services realizes that often, the debtor does not have the ability to pay an account in full; however, experience has shown that some will, when properly motivated. Our objective is to motivate those who have the ability to pay using a firm, yet fair approach. If a debtor states that he does not have the funds, we will



GC Services limited Partnership

Accounts Receivable Management With a Customer Care Focus

Response To Solicitation #RM3903 Statewide Contract For Collection Services

ask him questions regarding his financial circumstances. If he cooperates we will attempt to point out sources where funds can be obtained. If it is obvious to us that there is an ability to pay all or a large portion of the balance, we will press the individual to pursue that source. If it is determined that the debtor cannot pay the past due balance in full, a payment plan is established to pay the account in full as soon as possible.

GC Services personnel appeal to emotions such as honesty and integrity while they point out the legal consequences of the debtor not meeting his obligation. When a debtor refuses to provide us with information about his financial circumstances, we again push for the balance in full in an effort to get him to cooperate.

Skiptracing

Augmenting GC Services' case management is the skiptracing we provide at no extra cost to our clients. GC Services' skiptracing techniques are very thorough. Experience has taught us that these methods will, in almost every case, reveal the location of the individual. Once the new address for a debtor is located, the case is processed through our normal collection procedures.

Note: GC Services understands that under no circumstances are we to attempt to make collections by coercion or by threat of legal action. In fact, such threats and coercion are specifically forbidden by our Fundamental Collection Principles, a signed copy of which is kept in each employee's permanent employment file together with a signed statement of understanding for the tenets of FDCPA and the American Collector's Association code of ethics.

GC Services' skiptracing techniques are automated across a broad array of resources, and as a result, are very thorough. Experience has taught us that these methods will, in almost every case, turn up the location of the individual. Once the new address for the debtor is located, the case is processed through our normal collection procedures. GC Services' location techniques will meet all requisite federal locate activity requirements.

Skiptracing begins once we determine we cannot initiate contact with the phone number provided at placement. We will process all postal updates received through both the Atlanta office and the Houston facility in cooperation with database vendors in an effort to use all available means to develop leads for information about the location of debtors. During the skiptracing process (explained in greater detail in the pages that follow), GC Services accesses electronic resources for directory assistance, address verification and current resident contact data, nearby/neighbor contact information and surname searches, in an all-out effort to contact or obtain reliable location, job and asset information on the



GC Services Limited Partnership

Accounts Receivable Management With a Customer Care Focus

**Response To Solicitation #RM3903
Statewide Contract For Collection Services**

debtor. We will also conduct a nationwide credit bureau search via social security number, accessing any credit files to obtain all available demographic, trade, and creditor information to develop contact information.

GC Services' Proprietary Collection System

Collection activities at GC Services are conducted at each National Service Center using the proprietary Delinquent Account Recovery System (DARS). DARS is an on-line real-time system that presents account information to Account Representatives through a series of screen overlays. DARS was designed specifically to facilitate speed in accessing and updating relevant account information and in scheduling account follow-up. DARS also provides tools to allow management review and control of collections activities.

DARS has been optimized to support governmental collection engagements. For instance, DARS has the ability to display information about multiple tax years and tax types for the same debtor. Most state tax liabilities involve interest and penalties. DARS can define an interest and penalty calculation that is invoked whenever a fiscal transaction is posted.

Other collections activities performed by DARS include the following:

- ✱ Prioritizing and scheduling account follow-up
- ✱ Recording, tracking and automated handling of promise-to-pay arrangements
- ✱ Standard collection letters: initiated automatically or manually
- ✱ Access to national skiptracing databases and credit bureau reports
- ✱ Tracking of efforts to locate the debtor
- ✱ Entry and storage of permanent notes, detailing the history of actions and discussions
- ✱ Entry and posting of payments received locally
- ✱ On-line, real-time display and update of account data
- ✱ Access to client/industry-specific data screens
- ✱ Integration with Predictive Dialers (see section on Predictive Dialers)

DARS Account Scheduling

The system schedules the daily workload for each account representative through an on-line batch process, which is run at the close of each business day.

This automated process selects accounts with follow-up dates less than or equal to the next business day, and builds them into daily work-lists for all account representatives. Management establishes priorities and work orders for each



GC Services limited Partnership

Accounts Receivable Management With a Customer Care Focus

**Response To Solicitation #RM3903
Statewide Contract For Collection Services**

account representative. The key features associated with this process include the following:

- ✱ Using the "Feeder system," accounts can be fed to account representatives based upon the age and balance of the accounts and the volume of work already in the account representatives' work-lists.
- ✱ Account representatives assign account statuses to aid in organizing the work based on the next step, or type of follow-up required. Certain system functions also can cause a status change in order to flag an account to an account representative's attention, or remove an account from an active work-list.
- ✱ Each Account Representative's work-list is sorted by account status, then ordered first by oldest hold date and second, largest balance.
- ✱ An account can be scheduled for follow-up at a specific time of day.
- ✱ Hold dates can be set by the account representative or automatically by the system.
- ✱ Accounts remain on the work-list as "unworked" until the account representative works them and reschedules them for a future date. If any accounts have not been worked on the date scheduled, they will be given a priority position on the following day's work-list.
- ✱ Account Representatives can enter standard-text notes by means of note codes. These note codes can be configured automatically to change the status and reschedule the account.

DARS Promise-to-Pay Arrangements

The account representative records and reviews payment arrangements secured for an account. A DARS promise screen stores the terms of the arrangement and assigns a category in order to aid in follow-up. Installment arrangements may be automated once the debtor has established a pattern of making on-time payments. In such cases, monthly reminder letters are sent to the debtor automatically, with the system presenting the account to the account representative if the debtor does not comply with the agreement.

DARS Check-by-Phone Collections and Check Processing

GC Services has an integrated interface with the AutoScribe Check writing system. When the account representative makes an AutoPay payment agreement with a debtor, they record the terms of the agreement and the check information in DARS. Once entered, any change requires password approval by a supervisor. All information is then transmitted to the AutoScribe application running under MS Windows on a PC, which generates debtor checks for deposit.



GC Services Limited Partnership

Accounts Receivable Management With a Customer Care Focus

Response To Solicitation #RM3903 Statewide Contract For Collection Services

DARS Collection Letters

The account representative can request standardized collection letters, or the system can generate specific letters at predefined intervals automatically. Installment agreements, postdated check agreements, and AutoPay agreements also generate automated letters a set number of days before each due date. When letters are requested from any source, DARS transmits the request along with the relevant account data to the mainframe letter processing application in Houston. This application merges the account data with the appropriate text, and prints the letters on our high-speed laser printers using the designated letter stock. A history of letter requests is retained in the account notes.

DARS Account Screens

GC Services designed and developed DARS to accept information from a multitude of different industries and clients. DARS stores and displays client-specific and industry-specific information for use by the Account Representative. Account screens are displayed and updated on-line and real-time. In addition to standard demographic and account management screens, there are also screens specific to the data of a particular industry or client type.

Predictive Dialer

Our predictive dialers provide GC Services with the ability to maximize the collection effectiveness of our staff. In our automated collection environment, we can produce at least three times as many contacts as are produced by other vendors in a manual environment. Since location of debtors is such an important factor in the process, GC Services has developed specialized, proprietary software and procedures to maximize our locate rate through the use of the dialer. We are able to contact seven times as many cases as vendors with manual systems.

Collection Letters



Collection letters are an important part of the collection effort. Properly integrated with telephone contacts, letters can increase the collection success ratio considerably.

GC Services has an extensive catalogue of collection letters it currently uses for our clients. Primarily, GC Services letters are computer generated from our computer center and printed using a high-quality laser printer, but manual letters can also be produced by our collection centers. In either case, each collection letter sent to a debtor is noted as part of the permanent account record in DARS. State and Federal authorities have reviewed all of our letters, where required, who have indicated their acceptance of the content.



GC Services Limited Partnership

Accounts Receivable Management With a Customer Care Focus

Response To Solicitation #RM3903 Statewide Contract For Collection Services

All debtors receive an initial demand letter that includes the Federal Trade Commission's validation statement. Subsequent letters are sent as scheduled by the letter system and as deemed necessary by the Account Representative.

GC Services has the ability to specialize our letters for different states when required. Moreover, special letters may also be sent in response to special situations. For example, a special "Broken Promise" letter may be sent to a debtor who promised to pay by a certain date but did not fulfill that promise.

The requisite letter samples can be found in Appendix E. GC Services will work with the State of Utah and participating Agencies to customize a letter series specifically for your collection program. GC Services continually reevaluates all aspects of its collection approach—including letter activity—and will continue to make appropriate adjustments (in consultation with the State of Utah and participating Agencies) to ensure continued top performance.

Disputes

When a debtor advises us that he disputes his case for any reason, all activity on the disputed portion of the arrears ceases. An Account Verification Request/Information Exchange Form (AVR/IEF), along with copies of any debtor-provided documentation, is sent via facsimile or electronic mail to the client within one business day advising them of the dispute and requesting that the agent verify the balance due. When the AVR/IEF is returned, the debtor is notified through the use of a collection letter created for that purpose. Once the debtor has had the opportunity to receive the letter and examine the client's verification documents, contact is re-established to request payment in full.

Return of Cases

Cases are returned to our clients when any of the following occurs as well as in specific circumstances as required by the individual client:

- ✱ The client requests return of the case
- ✱ The case has been paid in full
- ✱ The debtor is verified as deceased
- ✱ Prudent collection judgment dictates that GC Services should discontinue collection activity. Supporting reasons for return of these cases will be provided to document State of Utah files.

When a client requests the return of a case, the Service Center immediately discontinues all collection activity. GC Services will return such cases via data tape/transmission transfer or via any other preferred method, including a reason for



GC Services limited Partnership

Accounts Receivable Management With a Customer Care Focus

**Response To Solicitation #RM3903
Statewide Contract For Collection Services**

each case's return. When returning a case with a litigation recommendation, GC Services will include any asset and liability information it discovers.



GC Services Limited Partnership

Accounts Receivable Management With a Customer Care Focus

Response To Solicitation #RM3903
Statewide Contract For Collection Services

Utah Collection Activity

Account Balance	Placement Level	1 st letter *	2 nd letter	3 rd letter	4 th letter	1 st call	Subsequent calls
\$0-100 (2000 per FTE)	First	Within 48 hours of placement	N/A	N/A	N/A	Within 30 days of placement	Monthly until contact or cancellation
\$101-500 (1000 per FTE)	First	Within 48 hours of placement	15-30 days from placement	N/A	N/A	Within 15 days of placement	Every 15 days until contact or cancellation
\$501-1000 (500 per FTE)	First	Within 48 hours of placement	15-30 days from placement	30-60 days from placement	N/A	Within 10 days of placement	Every 10 days until contact or cancellation
\$1001+ (250 per FTE)	First	Within 48 hours of placement	15-30 days from placement	30-60 days from placement	60-120 days from placement	Within 5 days of placement	Weekly until contact or cancellation
\$0-100 (2000 per FTE)	Second	Within 48 hours of placement	N/A	N/A	N/A	Within 30 days of placement	Monthly until contact or cancellation
\$101-500 (2000 per FTE)	Second	Within 48 hours of placement	N/A	N/A	N/A	Within 30 days of placement	Monthly until contact or cancellation
\$501-1000 (1000 per FTE)	Second	Within 48 hours of placement	15-30 days from placement	N/A	N/A	Within 15 days of placement	Every 15 days until contact or cancellation
\$1001+ (1000 per FTE)	Second	Within 48 hours of placement	15-30 days from placement	30-60 days from placement	N/A	Within 15 days of placement	Every 15 days until contact or cancellation



GC Services Limited Partnership

Accounts Receivable Management With a Customer Care Focus

**Response To Solicitation #RM3903
Statewide Contract For Collection Services**

2.6.H Performance Standards

GC Services trains each of its Account Representatives in all the legal aspects of the Fair Debt Collection Practices Act (FDCPA) and collection laws specific to certain states. Each representative must pass a test covering these laws before being allowed to begin live collection calls. Additionally, twice a year a comprehensive FDCPA and state law test is given to re-verify that all collectors have and good understanding of the laws pertaining to debt collection. While third part collection agencies collecting on Government receivables are not held to the FDCPA, we feel following the spirit of the FDCPA ensures people owing the State of Utah will be treated fairly and respectfully. In addition to our focus on the tenets of the FDCPA, GC Services also adheres to two internal standards of conduct. GC Services' *Fundamental Collections Principles* and *Do's and Don'ts* copies of which can be found on the following pages:

GC Services Fundamental Collection Principles

When our account representatives are hired, they are trained to adhere to our *Fundamental Collection Principles* (following pages). All of our Account Representatives have a copy of these principles at their desk as a constant reminder that we are a professional organization and expect our employees to be professional at all times.



GC Services Limited Partnership

Accounts Receivable Management With a Customer Care Focus

**Response To Solicitation #RM3903
Statewide Contract For Collection Services**

Fundamental Collection Principles

There are certain principles that are fundamental to collections. These principles are so basic that they must be observed at all times in all offices by all Account Representatives. These principles are designed to insure that we obtain maximum collection results with few or no debtor complaints. Furthermore, almost all of these principles have been codified in a Federal statute and are now law.

Debtor complaints are very time consuming to Executive Management and may in fact jeopardize our relationship with important clients. Among the collection principles that must be adhered to without exception at GC Services Limited Partnership are the following:

1. Absolutely no profanity or obscene language is to be used by any Account Representative in any conversation with any debtor at any time.
2. Abusive language or name-calling is strictly prohibited. Account Representatives are never to refer to debtors as "deadbeats," credit criminals," "liars," or any other name calling of such nature.
3. Account Representatives are to use a firm, clear, business-like voice, and they are never to shout. We are businessmen performing a business function.
4. When contacting nearbys, relatives (other than the debtor's spouse), and business associates, we are never to indicate that the purpose of our business is the collection of a delinquent account. This would also be the case when leaving messages on telephone answering machines.

Our statements to nearbys, etc., are only to indicate that, "We must talk with (Mr. Debtor) on an important matter." Making public the delinquent debts of another is a basis for a lawsuit. When contacting nearbys, identify yourself, state that you are confirming or correcting location information concerning the debtor, and, only if expressly requested, reveal the name of the company.

Do not call nearbys more than once unless requested to do so by the nearby or you believe the first response was incorrect or incomplete.

Calls to "third-parties" should only be made for the purpose of locating the debtor. Requests by such third parties that no further calls be received must be honored.

5. Infuriating and antagonizing a debtor does not collect money. An Account Representative may have his ego enhanced by coming out "on top" in a verbal battle with a debtor; however, all he does is win the battle but lose the war. No matter how just the debt or what the debtor's ability to pay is, if you infuriate him, you will not collect money. What you will collect in such cases is a valid complaint that jeopardizes the ability of the company to conduct business and your employment.
6. An Account Representative cannot lose his temper or "lose his cool." The debtor may do so and may attempt to antagonize or infuriate the Account Representative, but the Account Representative must at all times maintain control of himself. When a debtor attempts to antagonize or abuse an Account Representative, the only sound and useful thing for an Account Representative to do is to say, "(Mr. Debtor), there is no sense in us continuing this conversation at this time. I will call you at a later date." At this point, an Account Representative is to hang up the phone. The Account Representative is not to call back until after seven days. In the event the debtor breaks the connection, you will advise your manager; however, you will not call the debtor back for at least seven days if you should call back at all. When you terminate a call, you are never to slam the phone down or make derogatory remarks that may be overheard by the debtor while hanging up the phone, even though you are not speaking to the debtor directly.
7. The most basic principle of collecting is the proper identification of a debtor and the proper identification of an Account Representative. This identification is the first step that must occur in every contact. Be certain



GC Services limited Partnership

Accounts Receivable Management With a Customer Care Focus

Response To Solicitation #RM3903 Statewide Contract For Collection Services

that all "prepared talk-offs" or collection talk-offs are addressed to the debtor or his spouse and absolutely no one else.

8. Do not represent yourself as an attorney. It is illegal for you to represent yourself as such, and you will be terminated for this violation.
9. Under no circumstances is any Account Representative ever to threaten a debtor with criminal prosecution. An Account Representative is never to state that an individual may go to jail if a bill is not paid or that criminal charges will be filed when a check is returned unhonored by a bank.

We are debt collection specialists, not law enforcement authorities. Any Account Representative who threatens any debtor with criminal prosecution in any manner or at any time will be subject to immediate termination.

10. Calls are only to be made between 8:00 a.m. and 9:00 p.m. in the time zone of the receiving party. Also, calls are not to be made at any time known to be inconvenient to the debtor.
11. A debtor should only be contacted once every seven days. An Account Representative is not to immediately call back a debtor after the conversation has been terminated by either party but wait for seven days. A collector may make more frequent calls if he has only been able to leave word to call or is following up on a payment promise (except in Massachusetts). The debtor can authorize an earlier call.
12. The Account Representative is not to threaten bodily harm or property damage. Such threats are considered serious and grounds for termination.
13. Legal action must not be threatened. Similarly, any other action which cannot be legally taken or which is not intended to be taken cannot be threatened. Thus, there should not be any reference to courts, sheriffs, marshalls, garnishments, or judgments in the conversations with debtors.
14. There should be no threats as to the credit rating of the debtor.
15. An Account Representative should not contact a debtor at his place of employment if he knows such contact to be inconvenient or has reason to believe that the employer prohibits such calls or if the debtor has requested, either verbally or in writing, that he not be called at his place of employment.
16. An Account Representative is not to contact a debtor after learning that an attorney represents the debtor, unless the attorney fails to respond within a reasonable period of time.
17. An Account Representative is not to communicate with a debtor after he has disputed the debt until written verification can be provided to the debtor.
18. An Account Representative is to cease all communication when a debtor or his attorney advises in writing that such communication is to cease or that the debtor refuses to pay.
19. A list of "Do's and Don'ts" has been furnished to each Account Representative. These instructions are to be read thoroughly and understood, and under all circumstances, procedures outlined are to be followed.

I have read and understood the above indicated Collection Principles. I have further discussed them with my Service Center Manager. I understand that failure to follow these Principles is grounds for my dismissal from GC Services Limited Partnership.

ACCOUNT REPRESENTATIVE: _____

COLLECTION CENTER MANAGER: _____